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Cir. No:103/DIV/Conductor/05

May 15, 2012

To all members of Conductors committee
SEBs, DISCOMs and other listed purchasing organizations

Sub: Price Variation Clause for 'Aluminium Conductors'

IEEMA has circulated 'Draft' Price Variation Clause for 'Aluminium Conductors' vide Cir. No. 077/DIV/Conductor/05 dated April 02, 2012 to all listed users for their review and comments.

The salient features of the proposed 'Draft' price variation clause are as under.

1. PV formulae for each type of conductor are based on weight basis. The weight of raw materials like Aluminium and Steel per KM in each type of Conductor has been adopted as per BIS standard norms (IS:398). The same is presented vide Annexure -A
2. Aluminium Ingot or Rod price to be considered for price variation as per the contract.
3. Two different PV formulae have been proposed for 'Excise duty units' and 'Excise duty exempted units'. Price of raw materials would be different for these two PV formulae.
4. For the first time, the concept of taking the raw material prices 30 days prior to the date of tender opening and date of delivery has been introduced. For which, monthly price circular will contain various revisions in prices of specific raw materials.

Since there were no adverse comments received so far, we are making this new PV clause effective and operational from 1st April 2012 after incorporating few additional weight factors for different types of Conductors.

We are enclosing the new PV clause for Conductors and applicable monthly PV circular for April 2012.

We request you to incorporate this new PV clause in all your contracts/tenders/orders finalized on or after 1st April 2012.

The 'Average of the month' price is published to settle old pending contracts which are using earlier IEEMA PV circular for Conductors giving average monthly prices for Aluminium. This price will be published till April 2013 and discontinuation of the same will be reviewed later.

Assistant Director

Encl: as above

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IEEMA(PVC)/CONDUCTOR/2012 Effective from: 1st April 2012

MATERIAL PRICE VARIATION CLAUSE FOR AAC/AAAC/ACSR CONDUCTORS

The price quoted/confirmed for Aluminium Conductor is based on the input cost of raw materials as on the date of quotation. It is deemed to be related to the prices of raw materials, as specified in the price variation clauses given below. In case of any variation in these prices, the prices payable shall be subject to adjustment up or down in accordance with the following formulae.

For Excise duty units

1. AAC/AAAC Conductors

$$P = Po + WA (AL - ALo)$$

2. ACSR Conductors

$$P = Po + WA (AL - ALo) + WF (FE - FEo)$$

For Excise duty exempted units

1. AAC/AAAC Conductors

$$P = Po + WA (AL_e - ALo_e)$$

2. ACSR Conductors

$$P = Po + WA (AL_e - ALo_e) + WF (FE_e - FEo_e)$$

Wherein,

P = Ex-works price payable in Rs. per km as adjusted in accordance with the price variation clause

Po = Ex-works price quoted/confirmed in Rs. per km.

WA = Weight of Aluminium in AAC/AAAC/ACSR Conductor in MT per Km. as per the type of conductor (Refer the enclosed annexure – A giving this factor for various types of conductors)

ALo = Price of EC Grade Aluminium Ingot/Rod (as per contract) exclusive of excise duty in Rs./MT for AAC/ACSR Conductor
Or Price of Aluminium alloy Rod in exclusive of excise duty Rs./MT for AAAC Conductor
This price is applicable prevailing as on 30 days prior to the date of tender opening.

ALo_e= Price of EC Grade Aluminium Ingot/Rod (as per contract) inclusive of excise duty in Rs./MT for AAC/ACSR Conductor
Or Price of Aluminium alloy Rod inclusive of excise duty in Rs./MT for AAAC Conductor
This price is applicable prevailing as on 30 days prior to the date of tender opening.

WF = Weight of Steel Content in ACSR Conductor in MT per Km. as per the type of conductor
Refer the enclosed annexure – A giving this factor for various types of conductors

FEo = Price (exclusive of excise duty) of High Tensile Galvanized Steel Wire in Rs./MT of appropriate size
This price is applicable prevailing as on 30 days prior to the date of tender opening.

FEo_e= Price (inclusive of excise duty) of High Tensile Galvanized Steel Wire in Rs./MT of appropriate size
This price is applicable prevailing as on 30 days prior to the date of tender opening.

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For example, if tender is opened on 31st May 2008, the applicable raw material prices (ALo and FEo) would be those, prevailing as on the 1st day of May 2008.

AL = Price of EC Grade Aluminium Ingot/Rod (as per contract) exclusive of excise duty in Rs./MT for AAC/ACSR Conductor
Or Price of Aluminium alloy Rod in exclusive of excise duty Rs./MT for AAAC Conductor
This price is applicable prevailing as on 30 days prior to the date of delivery.

AL_e = Price of EC Grade Aluminium Ingot/Rod (as per contract) inclusive of excise duty in Rs./MT for AAC/ACSR Conductor
Or Price of Aluminium alloy Rod inclusive of excise duty in Rs./MT for AAAC Conductor
This price is applicable prevailing as on 30 days prior to the date of delivery.

FE = Price (exclusive of excise duty) of High Tensile Galvanized Steel Wire in Rs./MT of appropriate size
This price is applicable prevailing as on 30 days prior to the date of delivery.

FE_e = Price (inclusive of excise duty) of High Tensile Galvanized Steel Wire in Rs./MT of appropriate size
This price is applicable prevailing as on 30 days prior to the date of delivery.

For example, if the date of delivery is 31st December 2008, the applicable raw material prices (AL and FE) would be those prevailing as on the 1st day of December 2008.

The above prices and indices are as published by IEEMA vide circular reference IEEMA(PVC)/Al.Conductor/--

The date of delivery is the date on which the Conductor is notified as being ready for inspection/dispatch (in the absence of such notification, the date of manufacturer's dispatch note is to be considered as the date of delivery) or the contracted delivery date (including any agreed extension thereto), whichever is earlier.

Notes:

1. All prices of raw materials applicable to excise duty units are exclusive of modvatable excise/CV duty amount and exclusive of any other central, state or local taxes, octroi etc.
2. All prices of raw materials applicable to excise duty exemption units are inclusive of excise duty (but exclusive of any other central, state or local taxes, octroi etc.) since they are unable to utilize the modvat credit on their input raw materials. However, such units need to provide necessary documentary evidences such as copies of invoices to prove the above situation.
3. The price of EC grade Aluminium Ingot/rod and Aluminium Alloy rod (in Rs./MT) is the average of price as announced by primary producers. Monthly price circular will contain various revisions in prices of Aluminium during the month as announced by the primary producers.
4. The price of High tensile Galvanized Steel Wire (in Rs./MT) for different sizes in mm is the price as quoted by a primary producer; which is normally valid for the entire month. Further revisions in prices; if any; as quoted by the primary producer will also be published.

Authorised Signatory

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IEEMA(PVC)/CONDUCTOR/2012

Effective from: 1st April 2012

Annexure - A

Weight Factors for various types of Conductors as per IS: 398

Sr. No.	Conductor types	A / AA Strands	Steel Strands	Aluminium EC Grade/ Alloy kg / km	HT GS Steel kg / km	Total kg / km
1	AAC - GNAT	7/2.21	-	74.00	0.00	74.00
2	AAC - ANT	7/3.10	-	145.00	0.00	145.00
3	AAC - WASP	7/4.39	-	290.00	0.00	290.00
4	AAC- PEONY	19/3.18	-	415.00	0.00	415.00
5	AAC - SPIDER	19/3.99	-	654.00	0.00	654.00
6	AAC - BUTTER FLY	19/4.65	-	888.00	0.00	888.00
7	ACSR - MOLE	6/1.50	1/1.50	29.00	14.00	43.00
8	ACSR - ROSE	6/1.96	1/1.96	50.00	23.00	73.00
9	ACSR - SQUIRREL	6/2.11	1/2.11	58.00	27.00	85.00
10	ACSR - WEASEL	6/2.59	1/2.59	87.00	41.00	128.00
11	ACSR - RABBIT	6/3.35	1/3.35	145.00	69.00	214.00
12	ACSR - RACCOON	6/4.09	1/4.09	216.00	103.00	319.00
13	ACSR - DOG	6/4.72	7/1.57	288.00	106.00	394.00
14	ACSR - WOLF	30/2.59	7/2.59	437.00	289.00	726.00
15	ACSR - PANTHER	30/3.00	7/3.00	586.00	388.00	974.00
16	ACSR - KUNDAH	42/3.50	7/1.96	1,116.00	165.00	1,281.00
17	ACSR - ZEBRA	54/3.18	7/3.18	1,185.00	436.00	1,621.00
18	ACSR - MORKULLA	42/4.13	7/2.30	1,553.00	228.00	1,781.00
19	ACSR - MOOSE	54/3.53	7/3.53	1,465.00	539.00	2,004.00
20	ACSR - BERSIMIS	42/4.57	7/2.54	1,909.00	278.00	2,181.00
21	ACSR – SNOWBIRD	42/3.99	7/2.21	1,447.00	210.00	1,657.00
22	ACSR – LAPWING	45/4.78	7/3.18	2,231.00	436.00	2,667.00
23	ACSR – CYNX	30/2.79	7/2.79	507.00	335.00	842.00
24	ACSR – DRAKE	26/4.44	7/3.45	1,116.00	512.00	1,628.00
25	ACSR – COYOTE	26/2.54	7/1.91	365.00	156.00	521.00

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Weight Factors for various types of Conductors as per IS: 398

Sr. No.	Conductor types	A / AA Strands	Steel Strands	Aluminium EC Grade/ Alloy kg / km	HT GS Steel kg / km	Total kg / km
21	AAAC - MOLE	3/2.50	-	40.15	0.00	40.15
22	AAAC SQUIRREL	7/2.00	-	60.16	0.00	60.16
23	AAAC - WEASEL	7/2.50	-	94.00	0.00	94.00
24	AAAC - RABBIT	7/3.15	-	149.20	0.00	149.20
25	AAAC - RACCOON	7/3.81	-	218.26	0.00	218.26
26	AAAC - DOG	7/4.26	-	272.86	0.00	272.86
27	AAAC - DOG - UP	19/2.89	-	342.51	0.00	342.51
28	AAAC - COYOTE	19/3.15	-	406.91	0.00	406.91
29	AAAC - WOLF	19/3.40	-	474.02	0.00	474.02
30	AAAC - WOLF - UP	19/3.66	-	549.40	0.00	549.40
31	AAAC - PANTHER	19/3.94	-	636.67	0.00	636.67
32	AAAC - PANTHER - UP1	37/3.15	-	794.05	0.00	794.05
33	AAAC - PANTHER - UP2	37/3.45	-	952.56	0.00	952.56
34	AAAC - KUNDAH	37/3.71	-	1,101.63	0.00	1,101.63
35	AAAC - ZEBRA	37/4.00	-	1,280.50	0.00	1,280.50
36	AAAC - ZEBRA - UP	61/3.31	-	1,449.38	0.00	1,449.38
37	AAAC - MOOSE	61/3.45	-	1,573.71	0.00	1,573.71
38	AAAC - MORKULLA	61/3.55	-	1,666.00	0.00	1,666.00
39	AAAC - MOOSE UP	61/3.66	-	1,771.36	0.00	1,771.36
40	AAAC - MORKULLA - UP	61/3.81	-	1,919.13	0.00	1,919.13
41	AAAC - BERSIMIS	61/4.00	-	2,115.54	0.00	2,115.54

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